

# ANNUAL REPORT TO STOCKHOLDERS



1958

THE COCA-COLA COMPANY  
NEW YORK, NEW YORK

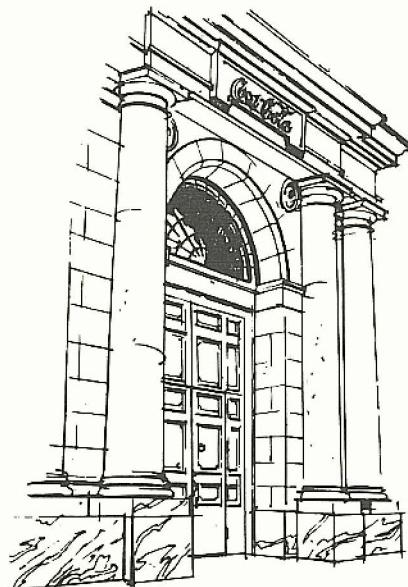
BOARDS

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Refreshing  
America  
since 1886

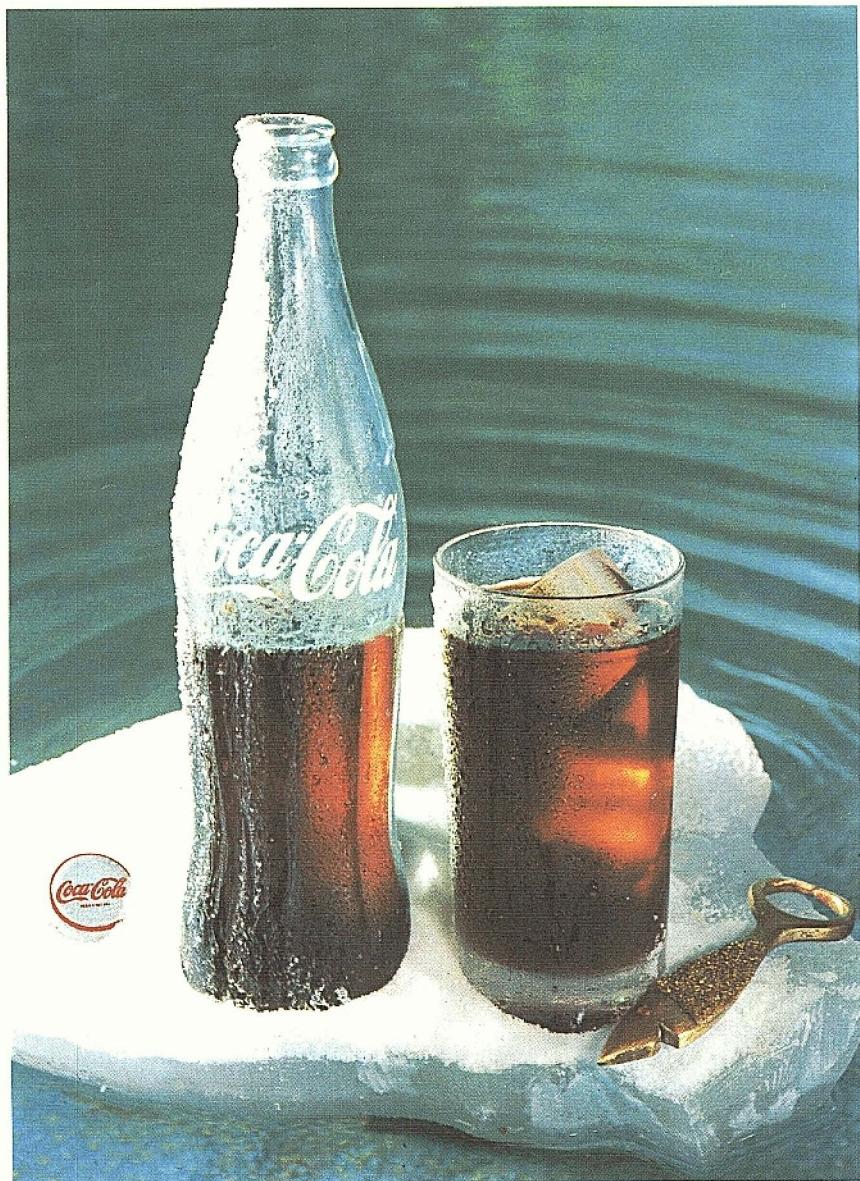


Entrance Atlanta office and syrup plant

**Coca-Cola - Coke**  
**Coke - Coca-Cola**

*Both trade-marks  
mean the same thing and  
identify the product of  
The Coca-Cola Company*

*Ask for it either way...*



Refreshment means many things to many people; but the cold, crisp taste of Coca-Cola means refreshment to more people than any other product in the world.

# THE COCA-COLA COMPANY

## BOARD OF DIRECTORS

A. A. ACKLIN	LINDSEY HOPKINS	HUGHES SPALDING
C. H. CANDLER, JR.	HARRISON JONES	E. W. STETSON
R. R. DEUPREE	JOHN T. LUPTON	LEE TALLEY
JAMES A. FARLEY	H. B. NICHOLSON	D. A. TURNER
R. W. FREEMAN	WINSHIP NUNNALLY	GEORGE W. WOODRUFF
BERNARD F. GIMBEL	WILLIAM E. ROBINSON	R. W. WOODRUFF

## OFFICERS

### THE COCA-COLA COMPANY

WILLIAM E. ROBINSON . . . . .	<i>Chairman of the Board</i>
LEE TALLEY . . . . .	<i>President</i>
CURTIS H. GAGER . . . . .	<i>Executive Vice President</i>
EDGAR J. FORIO . . . . .	<i>Senior Vice President</i>
C. W. ADAMS . . . . .	<i>Vice President</i>
FELIX W. COSTE . . . . .	<i>Vice President</i>
LEWIS M. DUGGER (Deceased January 4th, 1959) . . . . .	<i>Vice President</i>
C. W. HODGSON . . . . .	<i>Vice President</i>
M. S. HODGSON, JR. . . . .	<i>Vice President</i>
O. E. MAY . . . . .	<i>Vice President</i>
B. H. OEHLMERT, JR. . . . .	<i>Vice President</i>
LEE PRICE, JR. . . . .	<i>Vice President</i>
HAROLD S. SHARP . . . . .	<i>Vice President</i>
E. D. SLEDGE . . . . .	<i>Vice President</i>
JOHN C. STATON . . . . .	<i>Vice President</i>
JOHN D. GOODLOE . . . . .	<i>Secretary</i>
EDMUND W. PUGH, JR. . . . .	<i>Treasurer</i>

## GENERAL COUNSEL

JOHN D. GOODLOE

# FOREIGN OPERATIONS

## THE COCA-COLA EXPORT CORPORATION

JAMES A. FARLEY, New York, N. Y. . . . .	<i>Chairman of the Board</i>
LEE TALLEY, Atlanta, Ga. . . . .	<i>President</i>
J. PAUL AUSTIN, New York, N. Y. . . . .	<i>Executive Vice President</i>
C. L. AYRES, Sydney, Australia . . . . .	<i>Vice President</i>
W. M. BEKKER, Buenos Aires, Argentina . . . . .	<i>Vice President</i>
F. W. HARROLD, New York, N. Y. . . . .	<i>Vice President</i>
MAX KEITH, Essen, Germany . . . . .	<i>Vice President</i>
A. E. KILLEEN, Johannesburg, South Africa . . . . .	<i>Vice President</i>
ALEXANDER MAKINSKY, Paris, France . . . . .	<i>Vice President</i>
H. B. NICHOLSON, JR., Brussels, Belgium . . . . .	<i>Vice President</i>
J. W. RINTELEN, New York, N. Y. . . . .	<i>Vice President</i>
J. B. SHERWOOD, Mexico City, Mexico . . . . .	<i>Vice President</i>
C. A. SHILLINGLAW, New York, N. Y. . . . .	<i>Vice President</i>
JOHN R. TALLEY, Rome Italy . . . . .	<i>Vice President</i>
GARDNER TILLINGHAST, New York, N. Y. . . . .	<i>Vice President</i>
A. S. WILLIAMS, London, England . . . . .	<i>Vice President</i>
H. F. MACMILLAN, New York, N. Y. . .	<i>Vice President and General Counsel</i>
ROY S. JONES, New York, N. Y. . . . .	<i>Vice President and Secretary</i>
J. H. WILSON, New York, N. Y. . . . .	<i>Vice President and Treasurer</i>

## COCA-COLA LTD. (CANADA)

H. B. NICHOLSON . . . . .	<i>Chairman of the Board</i>
R. E. SEWELL . . . . .	<i>President</i>
E. W. GRANT . . . . .	<i>Vice President</i>
R. W. KEAST . . . . .	<i>Vice President</i>
L. M. HUNTER . . . . .	<i>Vice President</i>
A. B. BALLENTINE . . . . .	<i>Secretary</i>
C. W. I. JACKSON . . . . .	<i>Treasurer</i>

## COMPANIA EMBOTELLADORA COCA-COLA, S. A. (CUBA)

H. B. NICHOLSON . . . . .	<i>Chairman of the Board</i>
R. M. THOMAS . . . . .	<i>President</i>
R. J. THOMPSON . . . . .	<i>Vice President</i>
W. A. BOYKIN, JR. . . . .	<i>Secretary</i>
R. W. BOWLING . . . . .	<i>Treasurer</i>

# The Coca-Cola Company

NEW YORK, NEW YORK

March 2, 1959

TO THE STOCKHOLDERS OF  
THE COCA-COLA COMPANY:

Net profit, after taxes and all other charges, was \$30,038,591, or \$7.10 per share in 1958, compared with \$29,919,776, or \$7.07 per share, in 1957. Both in gallons sold and dollar receipts, last year's sales again exceeded the highest previous record in the Company's 72-year history.

A large majority of Bottlers of Coca-Cola are now equipped to make our product available in their territories in the King size and larger Family size containers as well as in the long familiar "regular" size. In the year ahead—the fourth full season since the introduction of the larger sizes—practically all Bottlers should be in a position to achieve satisfactory distribution for these new containers.

Our fountain business, continuing consistent post-war increases, registered further gains. Progress is being made also in the employment of Pre-mix machines, introduced by our Bottlers several years ago to assist in meeting the demands of special markets.

With virtually all other business concerns, we face rising costs for services and goods and a consequent pressure on profit margins. We endeavor to lessen this impact through enlarged volume and improved techniques. In addition, the Company's traditionally comprehensive advertising campaigns will be considerably expanded both in size and in the range of media utilized.

Capital outlays of substantial size have been, and are being, made in availing ourselves of opportunities for the extension of our business outside the United States. Investments by the Export Corporation and its subsidiaries in capital projects during the past year were at the highest level in their history.

Coca-Cola is now marketed in more than one hundred countries—representing the largest distribution of any trade-marked food product in history. This widening spread through the world's markets and this friendly acceptance—indeed adoption—of Coca-Cola by peoples of every race and clime presage a maintenance of the gratifying and fruitful expansion of our overseas business.

It is especially appropriate, in this message to our stockholders, to pay tribute to the thousands of employees of our consolidated enterprise throughout the earth, for their energy, competence and fidelity; to the 1,100 Bottlers of Coca-Cola in the United States, and to over 600 Bottlers beyond our borders, who play such a massive role in the progress of this business, now nearly three quarters of a century old; and to the more than 2,000 wholesale jobbers who distribute fountain syrup in this country. The efforts of this great body of people—imparting, as they do, a unique quality to this organization—inspire its management to plan for the future with confidence.

The consolidated balance sheet, profit and loss statement and earned surplus account appear on the following pages. A separate mailing will contain proxy forms and notice of the annual meeting of stockholders at 11 A.M., E.S.T., on Monday, May 4, 1959, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors,

LEE TALLEY,  
*President*

WILLIAM E. ROBINSON,  
*Chairman of the Board*

# Consolidated

THE COCA-COLA COMPANY and its CONSO

## ASSETS

### CURRENT:

Cash . . . . .	\$ 31,606,718
Government securities—at cost:	
United States and Canadian (market price \$59,096,143) . . . . .	59,680,513
Trade accounts receivable (less allowance of \$151,288) . . . . .	19,433,055
Inventories (at lower of average cost or market) . . . . .	35,674,407
Prepaid expenses . . . . .	<u>5,315,850</u>
<b>TOTAL CURRENT ASSETS . . . . .</b>	<b>\$151,710,543</b>

MISCELLANEOUS RECEIVABLES AND INVESTMENTS . . . 10,785,901

### PROPERTY, PLANT AND EQUIPMENT:

#### At cost:

Land . . . . .	\$ 6,574,278
Buildings . . . . .	49,423,640
Machinery and equipment . . . . .	78,072,769
Containers . . . . .	<u>14,213,683</u>
	\$148,284,370
Less allowance for depreciation . . . . .	<u>62,649,707</u> 85,634,663
FORMULAE, TRADE-MARK AND GOODWILL—at cost . . .	40,130,632
	<u>\$288,261,739</u>

# Balance Sheet

OLIDATED SUBSIDIARIES DECEMBER 31, 1958

## LIABILITIES

### CURRENT:

Accounts payable and accrued accounts . . . . .	\$ 20,691,376
Notes payable by subsidiaries . . . . .	3,031,971
Accrued taxes—including taxes on income . . . . .	\$ 29,832,893
Less U. S. Government securities for payment of income taxes . . . . .	<u>15,213,252</u> <u>14,619,641</u>
 TOTAL CURRENT LIABILITIES . . . . .	\$ 38,342,988

RESERVE FOR UNREMITTED FOREIGN PROFITS . . . . .	39,703,627
MINORITY INTERESTS IN SUBSIDIARY . . . . .	288,640

### CAPITAL STOCK AND SURPLUS:

#### Common stock—no par value:

Authorized . . . . .	5,000,000 shares
Issued . . . . .	4,280,805 shares
	\$ 26,755,031
Capital surplus . . . . .	1,926,112
Earned surplus . . . . .	<u>186,603,887</u>
	<u>\$215,285,030</u>

Less 48,727 shares of stock owned by Company—at cost . . . . .	<u>5,358,546</u> <u>209,926,484</u>
	<u>\$288,261,739</u>

# The Coca-Cola Company and its Consolidated Subsidiaries

YEAR ENDED DECEMBER 31, 1958

## CONSOLIDATED PROFIT AND LOSS STATEMENT

GROSS PROFIT . . . . .	\$174,511,277
Selling, administrative and general expenses . . . . .	<u>107,004,427</u>
OPERATING PROFIT . . . . .	\$ 67,506,850
Other deductions . . . . .	\$5,820,271
Less other income . . . . .	<u>3,704,012</u> 2,116,259
PROFIT BEFORE TAXES ON INCOME . . . . .	\$ 65,390,591
Provision for taxes on income . . . . .	<u>35,352,000</u>
NET PROFIT . . . . .	<u>\$ 30,038,591</u>

## CONSOLIDATED EARNED SURPLUS STATEMENT

Balance—December 31, 1957 . . . . .	\$177,725,686
Net profit for the year 1958 . . . . .	<u>30,038,591</u>
	\$207,764,277

## DEDUCTIONS

### Dividends paid in cash:

Mar. 31, 1958—\$1.00 per share . . . .	\$4,280,805
June 30, 1958—\$1.00 per share . . . .	4,280,805
Sept. 30, 1958—\$1.00 per share . . . .	4,280,805
Dec. 12, 1958—\$1.00 per share	
plus \$1.00 per share additional . . .	<u>8,561,610</u>
	\$21,404,025

### Less dividends on shares

owned by Company during year . . .	<u>243,635</u> 21,160,390
EARNED SURPLUS—DECEMBER 31, 1958 . . .	<u>\$186,603,887</u>

Notes to Financial Statements appear on page 11

## Notes to Financial Statements

1. *Foreign Operations.* The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: current assets, \$40,612,858 (including cash and government securities totaling \$18,104,172); property, plant, and equipment at depreciated cost, \$40,181,990; other assets, \$4,965,519; and liabilities, \$25,716,354. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1958.

In accordance with the Company's established policy, consolidated net profit includes the entire net profits of the Canadian and Cuban subsidiaries, but includes net profits of other foreign operations only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account in the consolidated profit and loss statement includes a provision for an addition to the reserve for unremitted foreign profits in the amount of \$4,892,475, representing foreign profits earned but unremitted in 1958.

2. *Capital Stock.* The Company in 1955 reserved 225,000 shares of either or both treasury and authorized but unissued common stock for sale under employees' stock options, to certain officers and employees of the Company and its subsidiaries at market prices on the option granting dates. Options for up to ten years each have been granted at prices varying from \$112.125 to \$137.25 per share, including 30,696 shares granted during the year 1958. At December 31, 1957, options for 140,209 shares were outstanding. During the year 1958, options for 4,479 shares were cancelled as a result of retirement, death, or resignation; no options were exercised. At December 31, 1958, options for 166,426 shares were outstanding, of which 62,132 shares represented the exercisable portion of options. The number of shares reserved for ungranted options at the beginning and end of 1958 was 84,791 and 58,574 respectively.

3. *Depreciation.* Provision for depreciation in the amount of \$9,446,351 was charged to manufacturing and other expenses.

# Accountants' Report

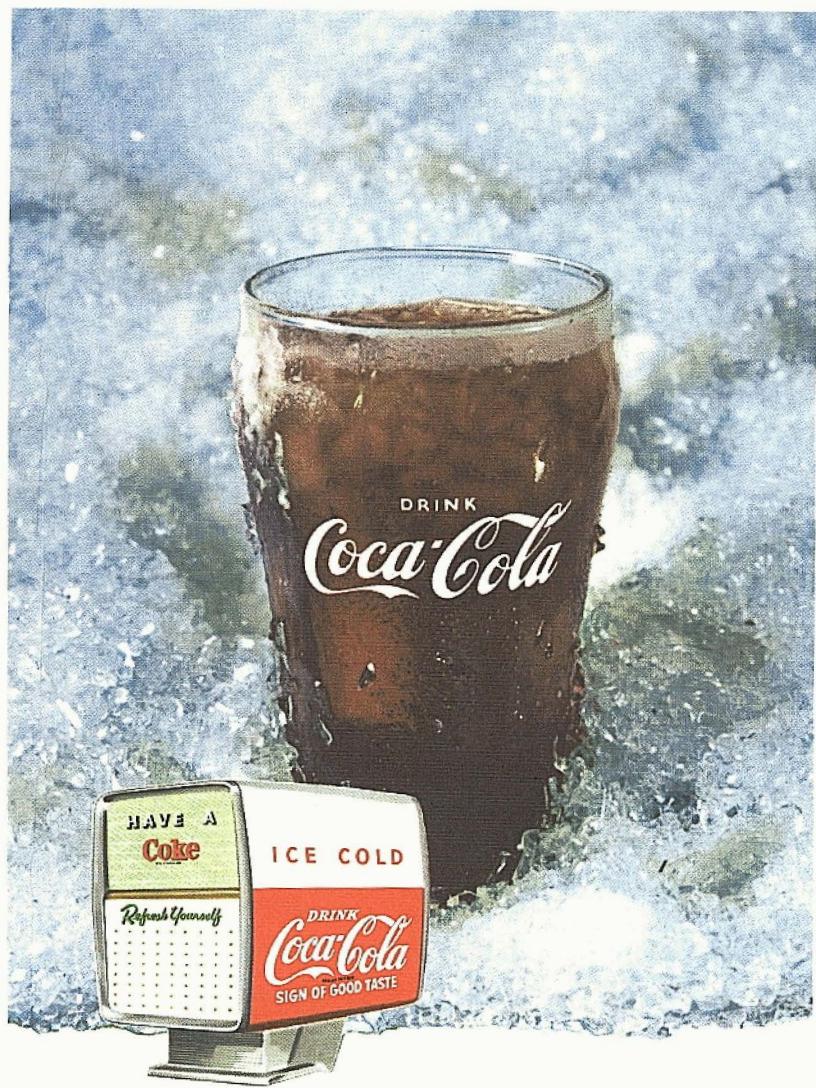
TO THE BOARD OF DIRECTORS  
THE COCA-COLA COMPANY  
NEW YORK, NEW YORK

We have examined the consolidated financial statements of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1958. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of THE COCA-COLA COMPANY and its subsidiaries at December 31, 1958, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST  
*Certified Public Accountants*

March 2, 1959



The latest in a long line of equipment, THE CITATION dispenser represents the ceaseless concern for the maintenance of a quality drink in soda fountain outlets.

## **Transfer Agents**

**WILMINGTON TRUST COMPANY**  
*Wilmington, Delaware*

**GUARANTY TRUST COMPANY  
OF NEW YORK**  
*New York, New York*

**TRUST COMPANY OF GEORGIA**  
*Atlanta, Georgia*

## **Registrars**

**BANK OF DELAWARE**  
*Wilmington, Delaware*

**THE CHASE MANHATTAN BANK**  
*New York, New York*

**THE FIRST NATIONAL BANK  
OF ATLANTA**  
*Atlanta, Georgia*



Symbolic of The Pause that Refreshes around the world  
in this atomic age was the COCA-COLA Pavilion at the  
Brussels World's Fair in 1958.

## Syrup and Concentrate Plants

*Supplying over 1700 Bottlers Throughout the World*

Atlanta	Lille
Baltimore	Casablanca
Kearny	London
Chicago	Brussels
St. Louis	Essen
San Francisco	Madrid
Los Angeles	Durban
Dallas	Mexico City
New Orleans	Rio de Janeiro
Portland	Montevideo
Montreal	Santiago, Chile
Toronto	New Delhi
Winnipeg	Tokyo
Vancouver	Sydney
Havana	Buenos Aires
Santiago, Cuba	Cali
Milan	Honolulu



**The Pause That Refreshes**

